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(56) Documents Cited:
    **EP 1057448 A1            US 5592664 A1**
    **US 20020953280 A1**

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(54) Abstract Title: **A networked computer system for selling/distributing goods/products directly or indirectly to a customer based on the customers status/rating**.

(57)    A computer system includes a marketing database for fulfilling orders for products placed by customers, including: a customer database maintaining records on each of a plurality of customers, the customer database including, for each customer, an indication of at least one customer attribute that determines membership of that customer to a predetermined customer group, and a status indication of a direct or indirect status of that customer; a product database maintaining records on products for sale to the customers; a sales database recording sales information connected with each customer and/or each customer group; a distributor database maintaining records for each of a plurality of distributors; means for monitoring the databases to establish when one or more predetermined customer density criteria are reached for a predetermined customer group; and means for switching the stabs indication of each customer within that predetermined customer group from direct to indirect when one or more predetermined customer density criteria are reached.
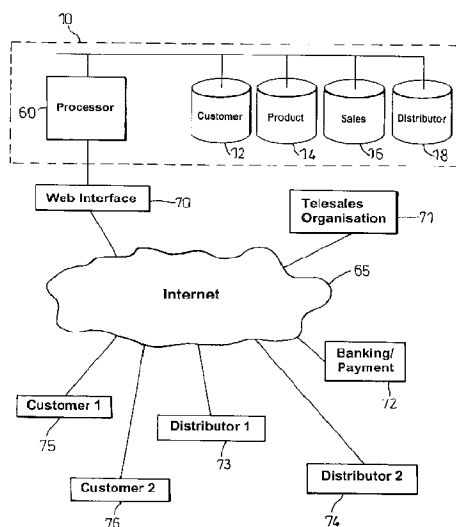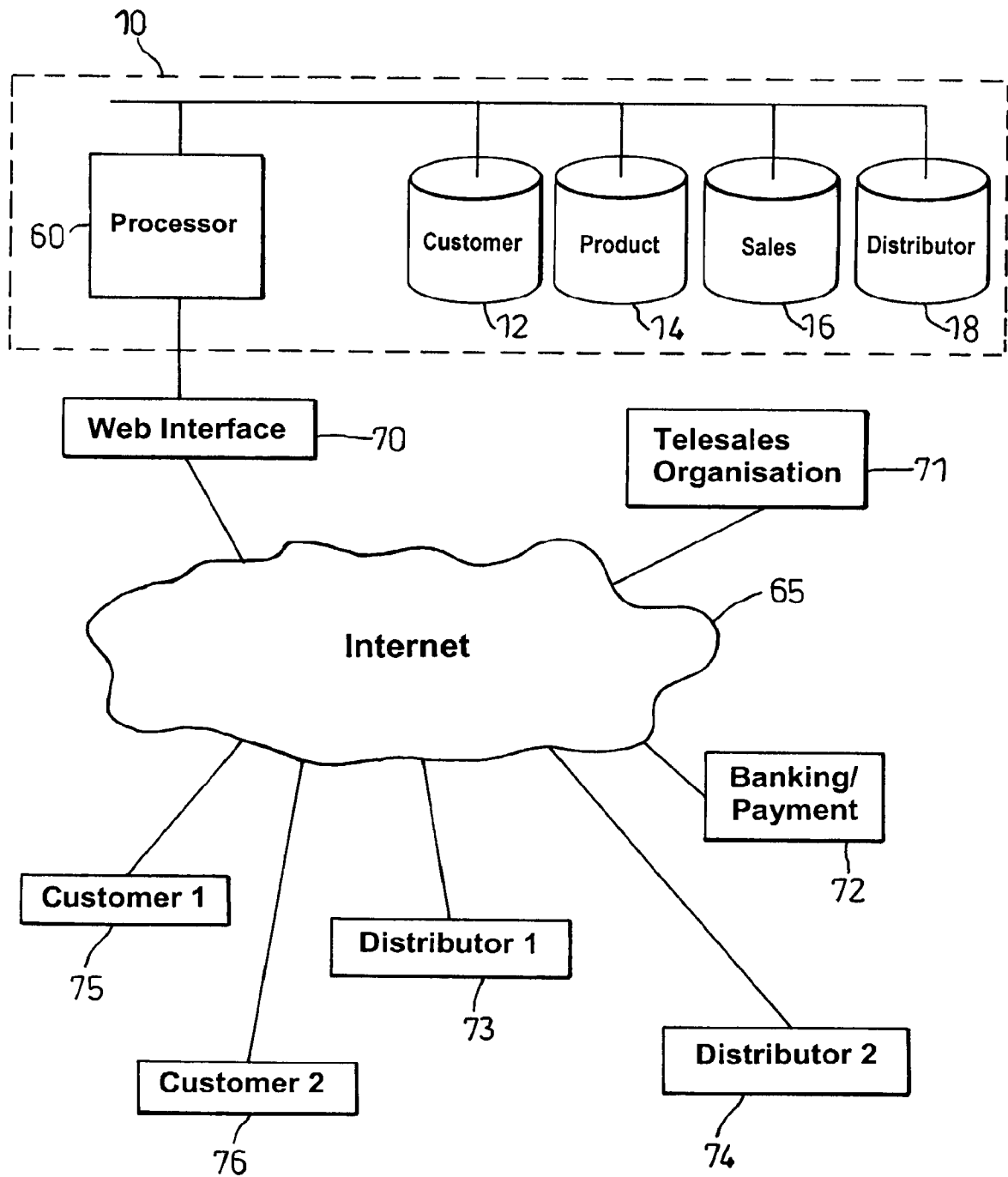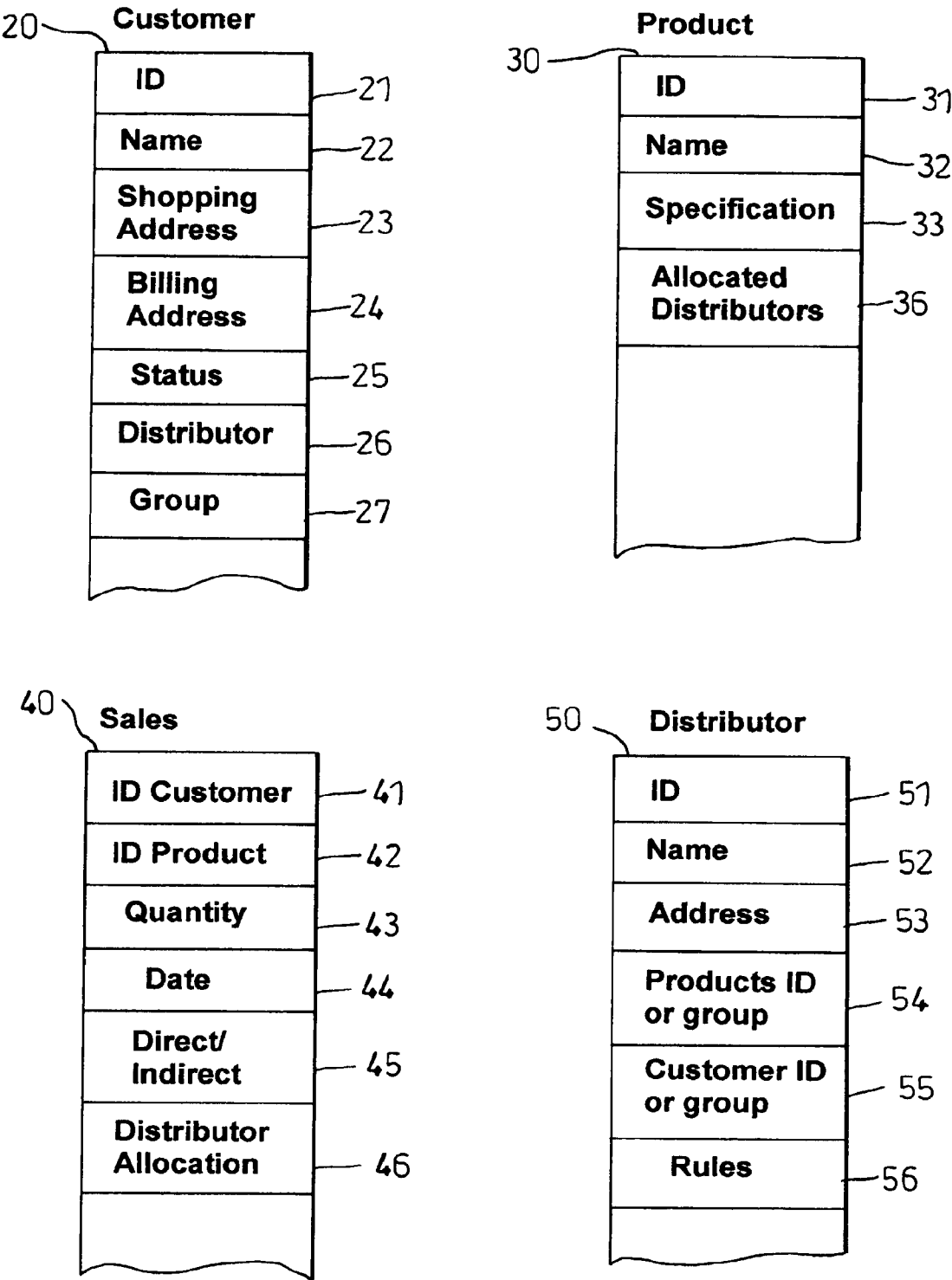
Fig. 1

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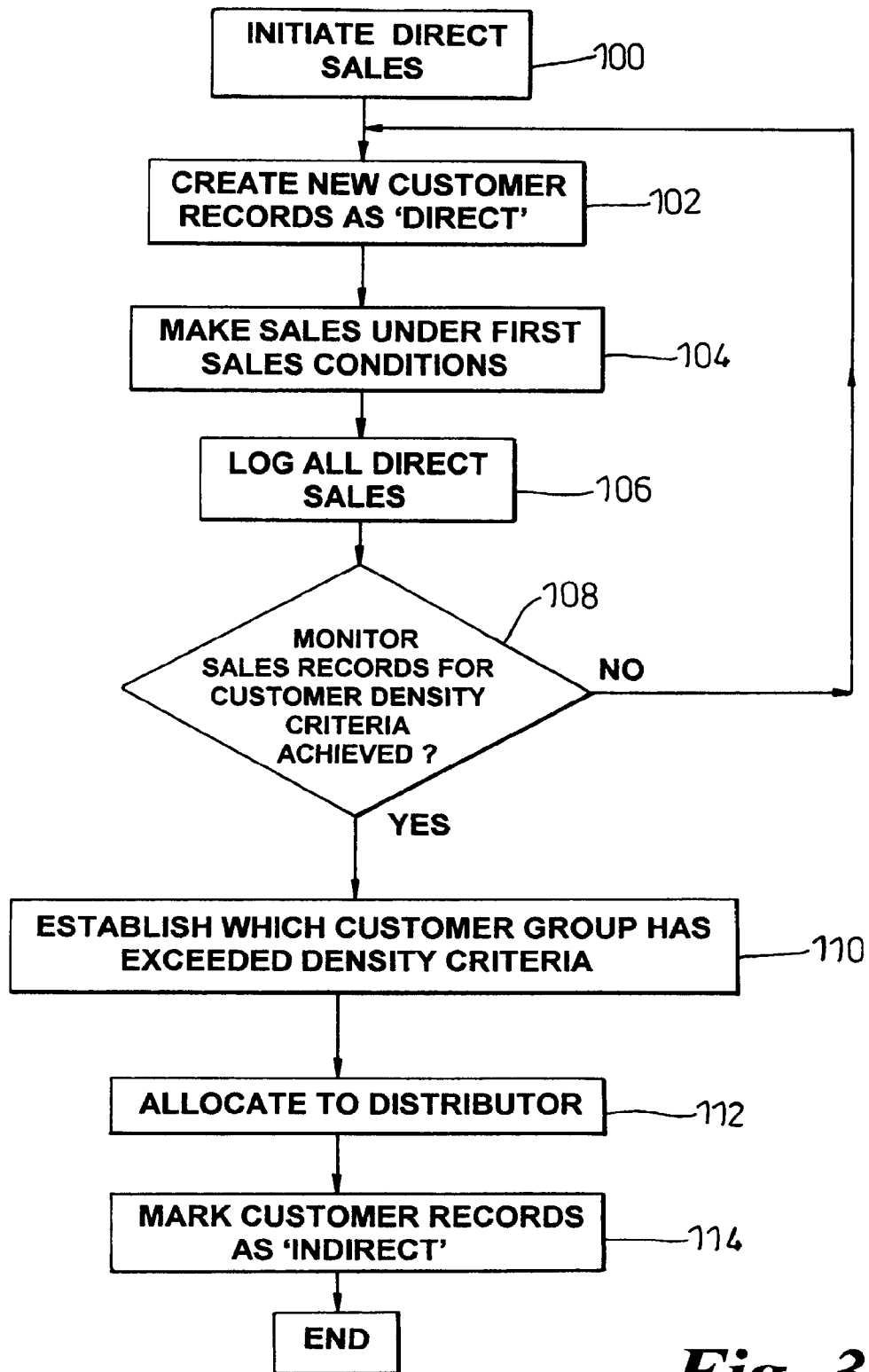**Fig. 1**

**Customer**

20

| | |
|---|---|
| ID | 21 |
| Name | 22 |
| Shopping Address | 23 |
| Billing Address | 24 |
| Status | 25 |
| Distributor | 26 |
| Group | 27 |

**Product**

30

| | |
|---|---|
| ID | 31 |
| Name | 32 |
| Specification | 33 |
| Allocated Distributors | 36 |

**Sales**

40

| | |
|---|---|
| ID Customer | 41 |
| ID Product | 42 |
| Quantity | 43 |
| Date | 44 |
| Direct/ Indirect | 45 |
| Distributor Allocation | 46 |

**Distributor**

50

| | |
|---|---|
| ID | 51 |
| Name | 52 |
| Address | 53 |
| Products ID or group | 54 |
| Customer ID or group | 55 |
| Rules | 56 |

*Fig. 2*

INITIATE DIRECT SALES — 100

CREATE NEW CUSTOMER RECORDS AS 'DIRECT' — 102

MAKE SALES UNDER FIRST SALES CONDITIONS — 104

LOG ALL DIRECT SALES — 106

MONITOR SALES RECORDS FOR CUSTOMER DENSITY CRITERIA ACHIEVED ? — 108

NO

YES

ESTABLISH WHICH CUSTOMER GROUP HAS EXCEEDED DENSITY CRITERIA — 110

ALLOCATE TO DISTRIBUTOR — 112

MARK CUSTOMER RECORDS AS 'INDIRECT' — 114

END

*Fig. 3*

```
          ┌─────────────────────┐
 200 ─────│   RECEIVE ORDER     │
          └─────────────────────┘
                     │
                     ▼
          ┌─────────────────────┐
 202 ─────│ IDENTIFY CUSTOMER/  │
          │     PRODUCT         │
          └─────────────────────┘
                     │
                     ▼
                ◇ 204
         IS CUSTOMER/ PRODUCT COMBINATION INDIRECT ?
```

**IS CUSTOMER/ PRODUCT COMBINATION INDIRECT ?** — 204

NO · · · YES

**APPLY FIRST SALES CONDITIONS** — 206

**APPLY SECOND SALES CONDITIONS** — 210

**ENABLE ORDER** — 208

**ACCEPT ORDER ?** — 212

YES · · · NO

**APPLY RULES** — 216

**REFUSE ORDER** — 214

**SUPPLY/ENABLE ORDER** — 218

**ALLOCATE SALES CREDIT TO DISTRIBUTOR** — 220

*Fig. 4*

# METHOD AND APPARATUS FOR MARKETING PRODUCTS AND/OR SERVICES

The present invention relates to methods and apparatus for merchandising products and/or services to a plurality of end users in a plurality of market segments. The invention has particular application in internet-based trading systems.

The use of the internet for selling products and services to a wide range of customers who are also geographically dispersed is now commonplace. Typically, organisations or entities wishing to offer products and/or services direct to the public set up a web site or group of linked web sites to trade those products and/or services to individuals or to other traders in direct business-to-consumer or business-to-business transactions, using the internet as a transaction medium.

It is also commonplace for an organisation to establish a network of distributors, franchisees or trading partners to act as intermediaries between the organisation, as original supplier (eg. manufacturer or importer of products or provider of services), and the general buying public. This arrangement is particularly useful where the organisation is precluded from making direct business-to-consumer type transactions, for example because of practical issues such as geographical limitations, constraints on investment capital and the like.

A problem with the original supplier–distributor model for distribution of products and services is acquiring appropriate distributors or franchisees, especially in the case where the original supplier may be itself a start-up business or not well known in the trade, in synchrony with acquiring a suitable customer base. In the early stages of marketing products, it can be

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difficult to establish a marketplace with sufficient potential growth to interest potential distributors.

The present invention is directed towards a method for developing product and/or service sales direct to consumers, or end users, at the same time as building a network of distributors to assist in the distribution and sale of the products / services, in a symbiotic relationship.

The present invention is also directed towards an apparatus for automatically implementing such a method to build a direct customer base and implement a distributor network, maintaining the facility for both direct sales (from the original supplier or 'direct marketer' to the consumer) and also from the distributor to the consumer.

According to one aspect, the present invention provides an apparatus for fulfilling orders for products placed by customers, comprising:

a customer database maintaining records on each of a plurality of customers, the customer database including, for each customer, an indication of at least one customer attribute that determines membership of that customer to a predetermined customer group, and a status indication of a direct or indirect status of that customer;

a product database maintaining records on products for sale to the customers;

a sales database recording sales information connected with each customer and/or each customer group;

a distributor database maintaining records for each of a plurality of distributors;

means for monitoring the databases to establish when one or more predetermined customer density criteria are reached for a predetermined customer group; and

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means for switching the status indication of each customer within that predetermined customer group from direct to indirect when one or more predetermined customer density criteria are reached.

5    According to another aspect, the present invention provides a method for fulfilling orders for products placed by customers, comprising:

maintaining records on each of a plurality of customers including, for each customer, an indication of at least one customer attribute that determines membership of that customer to a predetermined customer group,

10   and a status indication of a direct or indirect status of that customer;

maintaining records on each of a plurality of products for sale to the customers;

maintaining sales records of sales information connected with each customer and/or each customer group;

15        maintaining distributor records for each of a plurality of distributors;

making direct sales of products to customers whose records indicate a direct status in said customer records;

when predetermined customer density criteria are reached for a predetermined customer group, allocating that customer group to a specific

20   distributor and switching the status indication of each customer within that predetermined customer group from 'direct' to 'indirect'; and

continuing to make direct sales to the predetermined customer group having a status indication of 'indirect' only on the basis of sales conditions specific to the distributor allocated to that customer group.

25

According to another aspect, the present invention provides an apparatus for fulfilling orders for products comprising:

means for receiving an order from a customer;

means for verifying whether the customer represents a 'direct' class

30   of customer or an 'indirect' class of customer for a given product order;

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means for applying a first sales condition to the order when the customer is a 'direct' customer, and enabling the order to be fulfilled; and

means for applying a second sales condition to the order when the customer is an 'indirect' customer;

5       wherein the second sale condition includes one or more of:

allocating a sales credit to a third party distributor organisation for each product sale;

implementing a pricing structure or discount structure to the product sale that is different from any pricing structure or discount structure that is

10     implemented for an equivalent sale under the first sale condition; or

enabling the product sale only during predetermined periods of time.


According to another aspect, the present invention provides a method of fulfilling orders for products comprising:

15     receiving an order from a customer;

verifying whether the customer represents a 'direct' class of customer or an 'indirect' class of customer for a given product order;

applying a first sales condition to the order when the customer is a 'direct' customer, and enabling the order to be fulfilled; and

20     applying a second sales condition to the order when the customer is an 'indirect' customer;

wherein the second sale condition includes one or more of:

allocating a sales credit to a third party distributor organisation for each product sale;

25     implementing a pricing structure or discount structure to the product sale that is different from any pricing structure or discount structure that is implemented for an equivalent sale under the first sale condition; or

enabling the product sale only during predetermined periods of time.

Embodiments of the present invention will now be described by way of example and with reference to the accompanying drawings in which:

Figure 1 illustrates a computer system and network configured for implementation of a product marketing system;

5     Figure 2 illustrates the detailed database structure of the computer system of figure 1;

Figure 3 shows a flowchart of steps for implementing a database according to figure 2; and

Figure 4 shows a flowchart of steps for executing an order placed on 10    the computer system and network of figure 1.

Throughout the present specification, reference will be made to the selling of products to end-users or customers. In this context, the expression 'product' is intended to encompass 'services' and commodities of all types, 15    both tangible and intangible. The delivery of such products may be made by any suitable conveyance to the nature of the product. The expression 'customers' includes final end-users of the product or the general buying public as well as other businesses or service providers. The expression 'distributor' or 'franchisee' is intended to encompass all entities having a 20    relationship with both a direct marketing organisation originally making sales of products to their customers and the customers themselves, such that the distributor may also make sales of the same products to the same customer, whether or not that distributor sources the product from the original direct marketing organisation.

25

With reference to figures 1 and 2, a direct marketing organisation, which may be a primary manufacturer, importer or any other entity whose purpose is to make sales of a product or range of products to customers, establishes a marketing database 10.

30

5

The marketing database 10 comprises a plurality of customer records 20 in a customer database 12. Each customer record 20 includes information necessary to service product orders made by that customer, such as customer ID 21, customer name 22, customer shipping address 23, customer billing address 24 and the like. Each customer record 20 also includes a customer status field 25 which indicates whether the customer is a 'direct' customer of the direct marketing organisation, or an 'indirect' customer of the direct marketing organisation.

In the present specification, the expression 'direct' customer is used to indicate that the direct marketing organisation is presently fulfilling orders placed by the customer without acknowledgement to any third party such as a distributor or franchisee. The expression 'indirect' customer is used to indicate that the direct marketing organisation is presently fulfilling orders placed by the customer with acknowledgement to a third party such as a distributor or franchisee. The conditions relating to acknowledgement of a third party for sales to indirect customers will be discussed in greater detail below.

The customer record may also include an allocated distributor field 26 containing one or more distributor IDs who presently service that customer in respect of one or more products. The customer record 20 may also include one or more customer group fields 27 indicating membership of that customer to a predetermined customer group. Customer groups are defined according to customer attributes, to be described later. Customer group information might instead be derivable in real time from other fields in the database.

The marketing database 10 also includes a plurality of product records 30 in a product database 14. Each product record 30 includes information

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necessary for identifying specific products, such as product ID 31, and preferably includes general information such as product name 32 and product specification 33. Each record 30 may also include any other information necessary or desirable to maintain an efficient marketing and sales operation for that product, such as stock levels, supplier details, warehouse location, marketing information and the like.

Each product record 30 may also include an allocated distributor field 36 containing one or more distributor IDs who presently service customers by making sales of that respective product to the customer.

The marketing database 10 also includes a plurality of sales records 40 in a sales database 16. Each sales record 40 includes information necessary to provide a record of sales made of a specific product, and to whom. Preferably, each record includes a customer ID 41, a product ID 42, a quantity shipped field 43 and a date field 44. Each record may also include a sale status field 45 indicating whether the sale was made as a result of a 'direct' order or an 'indirect' order. In some embodiments, there may also be included in each sales record 40 an indication of the distributor associated with that sale.

The sales records 40 may also include any other data useful to maintain an efficient sales operation for the direct marketing organisation.

The marketing database 10 also includes a plurality of distributor records 50 in a distributor database 18. Each distributor record 50 includes information necessary to service distributorship sales agreements between the direct marketing organisation and predetermined distributor organisations. For example, each distributor record 50 may include a distributor ID 51, a distributor name 52 and distributor contact details 53.

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Each distributor record 50 may further include a product allocation field 54 indicating products that are allocated to that distributor, a customer allocation field 55 indicating customers or groups of customers allocated to

5    that distributor, and distributor agreement rules 56 relating to the terms on which the distributor deals with the direct marketing organisation, such as profit allocations, pricing structure and the like.

Each distributor record may also include any other data necessary or useful

10    in maintaining an efficient sales and marketing relationship with the distributor.

Although the marketing database 10 has been described above in the context of a segmented database having separate customer, product, sales and

15    distributor databases 12, 14, 16 and 18, it will be understood by those skilled in the art of database management that the information can be organised in a number of ways, eg. merged or segregated as shown, using any one of a number of standard database applications running on processor 60. It will also be understood that the database 10 could be located on a single server,

20    or multiple server array, or it could be geographically distributed at a number of separate locations connected by a suitable network.

Preferably, the database 10 is connected to the internet 65 by way of a web interface 70. In this way, communication may be made with, for example, a

25    telesales organisation 71, a banking and/or payment clearance organisation 72, one or more distributor organisations 73, 74, and customers 75, 76, all using conventional network transmission protocols. It will be understood, however, that one or more of these entities could alternatively be connected by a private network, direct telephone or other data link or any other

30    communication channel.

8

In use, a preferred method of operating the marketing system is now described in connection with figure 3.

5       The direct marketing organisation initiates marketing and sales of products direct to customers without reference to any third party distributor 73, 74 or franchisee (step 100). The sales and marketing operation may be effected by a telesales team 71, using a website interface 70, or by conventional shop sales and the like. In this phase, all new customers for products are logged
10      as 'direct' customers (step 102). Sales are made to these customers on the basis of first sales conditions (step 104). These first sales conditions may include predetermined pricing structures, such as pricing according to published price lists, discount pricing, or negotiated pricing between the direct marketing organisation and the customer.
15

Records of sales made are logged in the sales database 16 (step 106).

The database processor 60 continuously or periodically monitors the state of the direct marketing organisation database 10 for the achievement of
20      predetermined customer density criteria as a result of the direct sales made (step 108), continuing to make and log sales transactions and enter new customers until at least one customer density threshold is met.

In exemplary embodiments, the predetermined customer density criteria
25      could include any one or more of: a predetermined number of unit sales of a product or range of products in a market segment; a predetermined level of turnover; a predetermined level of profit margin; a total number of customers; a rate of increase of any of the above; or a level of any of the above per unit time. Other customer density criteria may be envisaged.
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9

Each of the predetermined customer density criteria may be applied to a specific customer group. The customer groups are based on one or more specific customer attributes. In exemplary embodiments, the customer attributes may include one of more of: presence in a specific geographical region (eg. organised by postal code); purchase of a specific product or specific range of products; and presence in a particular industry sector. Thus a customer group may be defined according to all customers possessing a specified customer attribute or collection of attributes. Other customer attributes may be envisaged.

Once a predetermined customer density threshold has been achieved, the database processor 60 determines for which group of customers the threshold reached applies (step 110) and these customers' records are allocated to a predetermined one of the distributors in distributor database 18 (step 112). Preferably, this allocation is performed by entering an appropriate distributor ID into the customer record 20 distributor field 26, and by marking the customer status field 25 for that customer as 'indirect'.

Customers or customer groups may be allocated to a distributor and marked as 'indirect' customers for all products, or for only specific products (eg. those in a particular market or industry sector) or for specific product groups. Thus the 'indirect' status may apply to the customer, or to specific customer-product combinations.

At this point in the process, future sales of the relevant products may be made to those customers either by the distributor, or by the direct marketing organisation under second sales conditions. The second sales conditions are different to the first sales conditions.

In an exemplary embodiment, the second sales conditions may include that, for each direct sale made by the direct marketing organisation to the customer, a profit element, margin or fixed fee is allocated to the distributor. The second sales conditions may include the application of a price structure

5 that is identical to or different from the price structure imposed by the distributor. The second sales conditions may include a restriction that direct sales by the direct marketing organisation to the customer can only be made out of the normal service hours of the distributor.

10 With reference to figure 4, a typical sales procedure applied by the processor 60 is now described.

An order for a product is received from a customer in step 200. This may be received electronically direct from the customer by, for example, the web

15 interface 70, or from a touch tone telephone system, or other electronic ordering system known in the art. Alternatively, the order could be keyed into the marketing database using conventional operator interface, based on conventional order receiving techniques.

20 The processor 60 then identifies the customer and/or customer-product combination (step 202) for the sale and determines whether the customer and/or customer-product combination has a direct or indirect status (step 204). If the sale is to a direct customer, the processor applies first sales conditions (step 206) and enables the order to be supplied (step 208) using

25 any of a number of possible order despatch systems known in the art, either manual or automated, or a combination of both. The first sales conditions may, in exemplary embodiments, be the application of a pricing structure according to the advertisements or sales brochures of the direct marketing organisation and/or allocation of a first profit level, or the application of

30 predetermined discount structures.

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If, on the other hand, the sale is to an indirect customer and/or customer-product combination, the processor applies second sales conditions (step 210).

5

A first one of these second sales conditions may include a check to see whether the order may be accepted by the direct marketing organisation (step 212). For example, orders might not be accepted during normal trading hours of the distributor to which the customer is allocated for the

10     product being sold. In another example, orders might be accepted by the direct marketing organisation only on an urgency or special delivery type basis, or when the distributor is temporarily out of stock. If any of the conditions for refusing a direct order from an 'indirect' customer are met, the processor 60 refuses or blocks the order (step 214).

15

If the order may be accepted, the processor 60 then applies any rules required by the second sales conditions (step 216). Such rules may include applying a pricing structure or discount level that is compatible with or determined by reference to the distributor to whom the customer is allocated.

20     In this case, processor 60 refers to the distributor and/or product databases 14, 18 to ascertain what rules must be applied to the sale. The rules may include allocating the distributor a sales credit in respect of the direct sale made by the direct marketer to the customer (step 220), notwithstanding the lack of involvement of the distributor in that particular sale. If the order is

25     accepted, the processor 60 also enables the order to be processed or effects automatic processing of the order (step 218).

In exemplary embodiments, the sales credit may include a financial credit such as a profit margin, fixed fee or percentage fee. Alternatively, the sales

30     credit could include a notional credit to contribute to the sales turnover of

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the distributor, for example for influencing or adjusting any agreement between the direct marketing organisation and the distributor to the distributor's benefit.

5    It will be recognised that the above described methods enable a new organisation, or an existing organisation commencing marketing of a new range of products, to build up a predetermined level of sales activity within one or more predetermined geographical regions, or within one or more predetermined market sectors, to a critical density. Once the critical density

10   has been achieved, and therefore the commercial potential of the product marketing proved, the customer group sustaining that sales activity is then an attractive prospect to other organisations who may wish to act as local distributors, importers or franchisees.

15   At that point in time, the customer groups that have achieved the predetermined customer density criteria (as discussed above) can then be allocated to the prospective distributor. The incentive for the prospective distributor is further enhanced in that the backup of the existing direct marketing organisation as supplier of the products remains to support the

20   distributor while the distributor still obtains a benefit or sales credit from each future sale made from the direct marketing organisation to the customer, as well as sales credit and therefore profit from each item sold by the distributor direct to the customer through its own sales channels. This back up may include, for example, 24 hour / 7 day support of the direct

25   marketing organisation to supply products direct to customers when the distributor is not open for business, or when the distributor is temporarily out of stock of the required product. This back up may also ensure that the distributor's profits are guaranteed in respect of any further sales of the products to the indirect customers allocated to the distributor.

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To ensure adherence to the agreements between the direct marketing organisation and the distributor, there may be imposed a secure ordering system. For example, each customer may be allocated a secure key (for example a security number) which must presented, either electronically or

5    manually before indirect orders may be accepted. In one embodiment, the ordering process may be implemented in conjunction with a data card (eg. a magnetic stripe, or chip card) encoding the customer's unique security number to be used during the ordering process.

10   A particular advantage of the automated system described in the preferred embodiments is that the processor 60 can maintain a constant watch on sales levels / profitability in respect of many different customer groupings (which includes for many different customer-product combinations), geographically and industry sector based, to ascertain as soon as a particular customer group

15   can be successfully marketed and allocated to a distributor.

Different potential distributors may express interest at different customer density threshold criteria, and the processor 60 can be programmed to detect the crossing of any of a number of possible customer density thresholds

20   desired by different potential distributors.

The invention has been described particularly with reference to an automated system having substantial technical benefits and effects in automatically processing orders and monitoring for the achievement of

25   predetermined customer density criteria across the entire database. This automatically triggers a reconfiguration of the database records to transition the related customer records from a direct status to an indirect status for future order processing. The automated system also ensures adherent to predetermined sales conditions and thus to distributor agreements.

30

However, it will be understood that broader principles relating to the described methods might also be carried out without use of the technical apparatus described, as encompassed by selected ones of the appended method claims.

## CLAIMS

1.    Apparatus for fulfilling orders for products placed by customers, comprising:

5        a customer database maintaining records on each of a plurality of customers, the customer database including, for each customer, an indication of at least one customer attribute that determines membership of that customer to a predetermined customer group, and a status indication of a direct or indirect status of that customer;

10        a product database maintaining records on products for sale to the customers;

a sales database recording sales information connected with each customer and/or each customer group;

a distributor database maintaining records for each of a plurality of

15    distributors;

means for monitoring the databases to establish when one or more predetermined customer density criteria are reached for a predetermined customer group; and

means for switching the status indication of each customer within that

20    predetermined customer group from direct to indirect when one or more predetermined customer density criteria are reached.


2.    The apparatus of claim 1 further including means for associating each customer, within a predetermined customer group having an indirect status,

25    with a selected one of the distributors in the distributor database.


3.    The apparatus of claim 1 in which the at least one customer attribute includes an indication of the geographical location of the customer.

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4.    The apparatus of claim 3 in which the predetermined density criteria include number of customers within a predetermined geographical region.

5.    The apparatus of claim 3 in which the predetermined density criteria include a sales turnover or profit level for all customers within the predetermined customer group.

6.    The apparatus of claim 1 in which the at least one customer attribute includes an indication of a market sector of the customer.

7.    The apparatus of claim 6 in which the predetermined density criteria include number of customers within a predetermined market sector.

8.    The apparatus of claim 6 in which the predetermined density criteria include a sales turnover or profit level for all customers within the predetermined customer group.

9.    The apparatus of claim 1 further including means for enabling direct sale of products to customers having a status of 'direct' under first sales conditions and enabling direct sale of products to customers having a status 'indirect' under second sales conditions.

10.    The apparatus of claim 9 in which the second sales conditions enable sales to indirect customers only during specified periods of time.

11.    The apparatus of claim 9 in which the second sales conditions enable sales to indirect customers only on the basis of rules related to a specific distributor allocated to the customer group in which the indirect customer falls.

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12.    The apparatus of claim 11 further including means for updating the respective distributor record with a predetermined sales credit in respect of direct sales made to indirect customers.

13.    The apparatus of claim 11 in which the rules include a pricing structure.

14.    The apparatus of claim 11 in which the rules include a profit element to be attributed to the specific distributor.

15.    The apparatus of claim 1 further including means for electronically receiving an order direct from a customer.

16.    A method for fulfilling orders for products placed by customers, comprising:

maintaining records on each of a plurality of customers including, for each customer, an indication of at least one customer attribute that determines membership of that customer to a predetermined customer group, and a status indication of a direct or indirect status of that customer;

maintaining records on each of a plurality of products for sale to the customers;

maintaining sales records of sales information connected with each customer and/or each customer group;

maintaining distributor records for each of a plurality of distributors;

making direct sales of products to customers whose records indicate a direct status in said customer records;

when predetermined customer density criteria are reached for a predetermined customer group, allocating that customer group to a specific distributor and switching the status indication of each customer within that predetermined customer group from 'direct' to 'indirect'; and

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continuing to make direct sales to the predetermined customer group having a status indication of 'indirect' only on the basis of sales conditions specific to the distributor allocated to that customer group.

5      17.      The method of claim 16 further including associating each customer within a predetermined customer group having an indirect status with a selected one of the distributors in the distributor database.

       18.      The method of claim 16 in which the at least one customer attribute
10     includes an indication of the geographical location of the customer.

       19.      The method of claim 18 in which the predetermined density criteria include number of customers within a predetermined geographical region.

15     20.      The method of claim 18 in which the predetermined density criteria include a sales turnover or profit level for all customers within the predetermined customer group.

       21.      The method of claim 16 in which the at least one customer attribute
20     includes an indication of a market sector of the customer.

       22.      The method of claim 21 in which the predetermined density criteria include number of customers within a predetermined market sector.

25     23.      The method of claim 21 in which the predetermined density criteria include a sales turnover or profit level for all customers within the predetermined customer group.

       24.      The method of claim 16 further including making direct sales of
30     products to customers having a status of 'direct' under first sales conditions

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and making direct sale of products to customers having a status 'indirect' under second sales conditions.

25. The method of claim 24 in which the second sales conditions include making sales to indirect customers only during specified periods of time.

26. The method of claim 24 in which the second sales conditions include making sales to indirect customers only on the basis of rules related to a specific distributor allocated to the customer group in which the indirect customer falls.

27. The method of claim 26 in which the rules include allocating the respective distributor with a predetermined sales credit in respect of direct sales made to indirect customers.

28. The method of claim 26 in which the rules include a pricing structure.

29. The method of claim 26 in which the rules include a profit element to be attributed to the specific distributor.

30. Apparatus for fulfilling orders for products comprising:

means for receiving an order from a customer;

means for verifying whether the customer represents a 'direct' class of customer or an 'indirect' class of customer for a given product order;

means for applying a first sales condition to the order when the customer is a 'direct' customer, and enabling the order to be fulfilled; and

means for applying a second sales condition to the order when the customer is an 'indirect' customer;

wherein the second sale condition includes one or more of:

allocating a sales credit to a third party distributor organisation for each product sale;

implementing a pricing structure or discount structure to the product sale that is different from any pricing structure or discount structure that is

5    implemented for an equivalent sale under the first sale condition; or

enabling the product sale only during predetermined periods of time.

31.    The apparatus of claim 30 further including means for associating a third party distributor organisation record to each customer record having an

10    'indirect' status.

32.    A method of fulfilling orders for products comprising:

receiving an order from a customer;

verifying whether the customer represents a 'direct' class of customer

15    or an 'indirect' class of customer for a given product order;

applying a first sales condition to the order when the customer is a 'direct' customer, and enabling the order to be fulfilled; and

applying a second sales condition to the order when the customer is an 'indirect' customer;

20        wherein the second sale condition includes one or more of:

allocating a sales credit to a third party distributor organisation for each product sale;

implementing a pricing structure or discount structure to the product sale that is different from any pricing structure or discount structure that is

25    implemented for an equivalent sale under the first sale condition; or

enabling the product sale only during predetermined periods of time.

| | |
|---|---|
| **Application No:** GB 0304601.8 | **Examiner:** Ben James |
| **Claims searched:** 1-32 | **Date of search:** 28 April 2004 |

## Patents Act 1977 : Search Report under Section 17

**Documents considered to be relevant:**

| Category | Relevant to claims | Identity of document and passage or figure of particular relevance | |
|---|---|---|---|
| A | | US 2002095328 A1 | (BOYD NATHAN et al.) Whole doc. |
| A | | EP 1057448 A1 | (BARDY GUST H) Abstract |
| A | | US 5592664 A1 | (STARKEY JAMES A) Abstract |

**Categories:**

| | | | |
|---|---|---|---|
| X | Document indicating lack of novelty or inventive step | A | Document indicating technological background and/or state of the art |
| Y | Document indicating lack of inventive step if combined with one or more other documents of same category. | P | Document published on or after the declared priority date but before the filing date of this invention |
| & | Member of the same patent family | E | Patent document published on or after, but with priority date earlier than, the filing date of this application |

**Field of Search:**

Search of GB, EP, WO & US patent documents classified in the following areas of the UKC$^W$:

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|---|
| G4A |

Worldwide search of patent documents classified in the following areas of the IPC$^7$:

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|---|
| G06F |

The following online and other databases have been used in the preparation of this search report:

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| EPODOC, WPI, JAPIO |